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**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEVADA**

In re:

ASPEN FINANCIAL SERVICES, LLC;

Debtor.

Case No. 13-15546-mkn
Chapter 7

JOSEPH ATKINS, Trustee;

Plaintiff,

v.

OMEGA DEVELOPMENT SECOND
IRREVOCABLE BUSINESS TRUST;
CENTENNIAL LAMB SECOND
IRREVOCABLE BUSINESS TRUST I;
and CENTENNIAL LAMB SECOND
IRREVOCABLE BUSINESS TRUST II;

Defendants.

ADVERSARY COMPLAINT

JOSEPH ATKINS, in his capacity as Chapter 7 Trustee ("Trustee") for the bankruptcy estate of ASPEN FINANCIAL SERVICES, LLC ("Debtor" or "Aspen"), by and through counsel, respectfully submits this adversary complaint against the Defendants and alleges as follows:

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JURISDICTION and VENUE

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2 1. This adversary proceeding arises out of (and is related to) the voluntary chapter 7
3 case *In re: ASPEN FINANCIAL SERVICES, LLC*, case no. 13-15546-mkn (the “Bankruptcy
4 Case”). This proceeding is brought pursuant to Federal Rule of Bankruptcy Procedure 7001.

5 2. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 157 and 1334.

6 3. This action is a core proceeding pursuant to 28 U.S.C. §§ 157(b)(2)(A) & (O),
7 because, *inter alia*, this Complaint is brought directly in the course of administration of the assets of
8 the estate (specifically, reducing to money the estate’s claims against third parties), and because this
9 case is a proceeding affecting the liquidation of the assets of the estate.

10 4. If this adversary is determined to be noncore, Trustee consents to the entry of final
11 orders or judgments by the bankruptcy judge.

12 5. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408(1) and 1409(a).

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15 **PARTIES**

16 6. JOSEPH ATKINS is the duly appointed trustee in the above-captioned chapter 7
17 bankruptcy case. The Trustee is authorized to bring this action pursuant to his duties as trustee
18 under § 704 of the Bankruptcy Code.

19 7. Defendant OMEGA DEVELOPMENT SECOND IRREVOCABLE BUSINESS
20 TRUST (“Omega Trust”) is a trust organized under the laws of the State of Nevada.

21 8. Defendant CENTENNIAL LAMB SECOND IRREVOCABLE BUSINESS TRUST I
22 (“Centennial I Trust”) is a trust organized under the laws of the State of Nevada.

23 9. Defendant CENTENNIAL LAMB SECOND IRREVOCABLE BUSINESS TRUST
24 II (“Centennial II Trust”) is a trust organized under the laws of the State of Nevada.

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FACTUAL ALLEGATIONS

General Background of Debtor

10. Prior to filing for bankruptcy relief, the Debtor was in the business of soliciting small, private investors, typically individuals, to pool money in order to make large secured loans to commercial borrowers for the purchase of real estate.

11. Each investor in an Aspen loan would be named as a beneficiary of a single deed of trust.

12. Some of Debtor's loans had in excess of 100 investors named as distinct beneficiaries on a single deed of trust, meaning that an average investor owned less than 1% of the loan.

13. Over time, some loans foreclosed, resulting in an "REO" property. By operation of law, each individual's deed of trust beneficial interest transferred into a tenant-in-common ("TIC") ownership interest, in the same percentage. Through this process, each individual Aspen investor on a foreclosed loan ended up owning a small percentage of the deed.

14. For easier administration, Aspen encouraged many of these TIC investors to grant their fractional interests to a trust, either before or after foreclosure. Many did so.

15. Debtor would then enter into a servicing agreement with the trust, and act as servicing agent of the trust.

Pahrump Loans

16. In 2008, Debtor originated three loans, totaling in excess of \$12 million, to acquire land in Pahrump, Nevada.

17. Specifically, these loans were secured by the following parcels: APN 44-511-18 and 445-511-20.

18. The loan went into default, and the loans foreclosed.

19. Debtor formed three trusts, one for each loan, and many of the loans' investors granted their interest to the trust created for their respective loan. These three trusts are the Omega Trust, Centennial I Trust, and Centennial II Trust (collectively, the "Defendants").

